

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 534 final

Brussels, 26 September 1980

Recommendation for a

## COUNCIL DECISION

authorizing the Commission to open negotiations with Bangladesh and India for the adjustment of the Agreements with those countries on trade in jute products to take account of the accession of Greece to the European Communities

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(submitted to the Council by the Commission)

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## EXPLANATORY MEMORANDUM

I. The Community has negotiated two Agreements (one with Bangladesh and one with India) on trade in jute products. They cover the period 1 January 1980 to 31 December 1983 and at the moment are being applied de facto pending completion of the conclusion procedures. The agreements provide that :

- i Bangladesh and India shall exercise voluntary restraint over their exports of certain jute products to the Community;
- ii the Community shall totally suspend import duties on all jute products within the framework of its generalised tariff preferences;
- iii the Community will undertake to eliminate all quantitative restrictions on imports by the date of expiry of the agreements, i.e. by 1 January 1984.

II. These Agreements will have to be modified to take account of Greece's accession to the Communities.

Greece is a marginal producer of jute goods. Greek firms engaged in the jute industry have long since gone over to synthetic substitutes. Greece imports very little in the way of jute products, which are free of quantitative restrictions. But import duties are high - between 8% and 30%, depending on the product. Greece's adoption of the acquis communautaire must not jeopardise the Community's aim in negotiating with Bangladesh and India, which was to maintain a degree of protection against imports by means of voluntary restraint undertakings) for a few more years in order to give the Community jute industry time to complete its conversion and adjustment programme.

Negotiations to extend the two Agreements to cover Greece should therefore :

- i be aimed at establishing a Greek quota share in the voluntary restraint ceilings in force under the present Agreements and raising the Community limits accordingly;

- ii in return the special rules for jute products under the Community GSP would also apply in respect of Greece;
- iii all other provisions of the Agreements would also apply in respect of Greece.

The Council is accordingly invited to adopt the annexed recommendation for a decision.

RECOMMENDATION FOR A COUNCIL DECISION

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Bangladesh and India for the adjustment of the  
Agreements with those countries on trade in jute products  
to take account of the accession of Greece to the  
European Communities

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 113 thereof,

Having regard to the Recommendation from the Commission,

Whereas the Community has negotiated bilateral Agreements with Bangladesh and  
India on trade in jute products; whereas the said Agreements should be adjusted  
to take account of the accession of Greece to the European Communities; whereas  
for this purpose it is necessary to open negotiations with the two countries  
concerned,

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission is hereby authorised to open negotiations with the People's  
Republic of Bangladesh and the Republic of India for the adjustment of the  
Agreements between the Community and those countries on trade in jute products  
to take account of the accession of the Hellenic Republic to the European  
Communities.

The Commission shall conduct the negotiations in accordance with the  
directives annexed to this Decision and in consultation with the Article  
113 Committee.

Representatives of the Hellenic Republic shall participate in the work  
as observers along side representatives of the present Member States.

#### NEGOTIATING DIRECTIVES

- (i) To establish a quantitative limit for exports to Greece of Category 4 and 7 jute fabrics from Bangladesh and India and raise corresponding ceilings accordingly.
- (ii) Account will be taken of traditional trade flows in establishing the quantitative limits for 1981.
- (iii) The limits for succeeding years to include an annual growth percentage.